

**Lawyers' Assistance Program, Inc.**

**Financial Statements  
and Independent Auditor's Report  
December 31, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 12 2011**

**Lawyers' Assistance Program, Inc.**

**Financial Statements and Independent Auditor's Report  
As of and for the Year Ended  
December 31, 2010**

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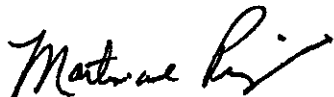
### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Lawyers' Assistance Program, Inc.  
Mandeville, Louisiana

We have audited the accompanying statement of financial position of Lawyers' Assistance Program, Inc. (a nonprofit organization) as of December 31, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lawyers' Assistance Program, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



September 7, 2011

## **FINANCIAL STATEMENTS**

**Lawyers' Assistance Program, Inc.**

**Statement of Financial Position  
December 31, 2010**

**ASSETS**

**Current Assets:**

|                           |    |            |
|---------------------------|----|------------|
| Cash and cash equivalents | \$ | 216,436    |
| Accounts receivable       |    | 20,000     |
| Prepaid insurance         |    | 2,186      |
| Prepaid rent              |    | <u>750</u> |

**Total Current Assets** 239,372

Property and equipment,  
net of accumulated depreciation of \$275 5,586

**Other Asset:**

Deposit 750

**TOTAL ASSETS** \$ 245,708

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

|                  |    |              |
|------------------|----|--------------|
| Accounts payable | \$ | 10,183       |
| Accrued expenses |    | <u>4,010</u> |

**Total Current Liabilities** 14,193

**Net Assets:**

Unrestricted net assets 231,515

**TOTAL LIABILITIES AND NET ASSETS** \$ 245,708

The accompanying notes are an integral part of these financial statements.

**Lawyers' Assistance Program, Inc.**

**Statement of Activities  
For the Year Ended December 31, 2010**

**REVENUES AND OTHER SUPPORT**

|   |    |                       |
|---|----|-----------------------|
| Tobacco settlement                      | \$ | 80,000                |
| Louisiana State Bar Foundation          |    | 50,000                |
| Self - generated                        |    | 31,150                |
| State funds (judiciary)                 |    | 30,000                |
| Interest income                         |    | 2,060                 |
| Other                                   |    | <u>1,888</u>          |
| <b>TOTAL REVENUES AND OTHER SUPPORT</b> |    | <u><b>195,098</b></u> |

**FUNCTIONAL EXPENSES**

|                                  |  |                       |
|----------------------------------|--|-----------------------|
| Program services                 |  |                       |
| Substance abuse counseling       |  | 182,101               |
| Supporting services              |  |                       |
| Management and general           |  | <u>68,467</u>         |
| <b>TOTAL FUNCTIONAL EXPENSES</b> |  | <u><b>250,568</b></u> |

**DECREASE IN NET ASSETS** (55,470)

**NET ASSETS, BEGINNING** 286,985

**NET ASSETS, ENDING** \$ 231,515

The accompanying notes are an integral part of these financial statements.

**Lawyers' Assistance Program, Inc.**

**Statement of Functional Expenses  
For the Year Ended December 31, 2010**

|                              | <u>Program Services</u> | <u>Supporting Services</u> |                   |
|------------------------------|-------------------------|----------------------------|-------------------|
|                              | <u>Substance</u>        | <u>Management</u>          |                   |
|                              | <u>Abuse</u>            | <u>and</u>                 |                   |
|                              | <u>Counseling</u>       | <u>General</u>             | <u>Total</u>      |
| Salaries, executive director | \$ 107,140              | \$ -                       | \$ 107,140        |
| Salaries, other              | -                       | 55,171                     | 55,171            |
| Pension contributions        | 13,210                  | 1,974                      | 15,184            |
| Payroll taxes                | 11,293                  | 1,687                      | 12,980            |
| Rent                         | 10,440                  | -                          | 10,440            |
| Insurance                    | 6,649                   | 994                        | 7,643             |
| Telephone                    | 6,659                   | -                          | 6,659             |
| Accounting fees              | -                       | 6,237                      | 6,237             |
| Mileage reimbursement        | 5,621                   | -                          | 5,621             |
| Meals and lodging            | 5,496                   | -                          | 5,496             |
| Office expense               | 2,773                   | -                          | 2,773             |
| Donation of equipment        | 2,724                   | -                          | 2,724             |
| Medical expense              | 2,475                   | -                          | 2,475             |
| Continuing education         | 2,380                   | -                          | 2,380             |
| Training                     | 1,784                   | -                          | 1,784             |
| Utilities                    | 1,436                   | -                          | 1,436             |
| Depreciation                 | -                       | 1,369                      | 1,369             |
| Dues and subscriptions       | 811                     | -                          | 811               |
| Automobile expense           | 551                     | -                          | 551               |
| Postage                      | -                       | 526                        | 526               |
| Moving services              | -                       | 400                        | 400               |
| Travel                       | 348                     | -                          | 348               |
| Printing                     | 311                     | -                          | 311               |
| Taxes and licenses           | -                       | 76                         | 76                |
| Bank fees                    | -                       | 28                         | 28                |
| Repairs and maintenance      | -                       | 5                          | 5                 |
| <b>Total</b>                 | <b>\$ 182,101</b>       | <b>\$ 68,467</b>           | <b>\$ 250,568</b> |

The accompanying notes are an integral part of these financial statements.

**Lawyers' Assistance Program, Inc.**

**Statement of Cash Flows  
For the Year Ended December 31, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in net assets \$ (55,470)

Adjustments to reconcile decrease in net assets to  
net cash flows used in operating activities:

Depreciation 1,369

Donation of property and equipment 2,724

Increase in prepaid expenses (2,936)

Increase in deposit (750)

Increase in accounts payable 10,183

Increase in accrued expenses 2,993

Net cash flows used in operating activities (41,887)

**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Purchases of property and equipment (5,611)

**NET DECREASE IN CASH AND CASH EQUIVALENTS (47,498)**

**CASH AND CASH EQUIVALENTS, BEGINNING 263,934**

**CASH AND CASH EQUIVALENTS, ENDING \$ 216,436**

The accompanying notes are an integral part of these financial statements.



**Lawyers' Assistance Program, Inc.**

**Notes to the Financial Statements  
For the Year Ended December 31, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Lawyers' Assistance Program, Inc. was organized in Louisiana as a non-profit organization to provide substance abuse counseling and referral services to members of the Louisiana legal profession battling alcoholism or other substance abuse conditions.

Significant accounting policies are as follows:

**A. BASIS OF ACCOUNTING**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**B. CASH AND CASH EQUIVALENTS**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**C. FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, accounts receivable, and accounts payable. Management estimates that the fair value of all financial instruments as of December 31, 2010 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

**D. PROPERTY AND EQUIPMENT**

Property and equipment is stated at cost. Depreciation is computed utilizing the straight-line method over estimated useful lives of three to seven years. Property and equipment acquisitions are capitalized if the purchase price exceeds \$200 and the asset has a useful life of greater than one year.

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for betterments and major renewals are capitalized. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal and the resulting gains or losses are recognized.

**E. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Lawyers' Assistance Program, Inc.**

**Notes to the Financial Statements  
For the Year Ended December 31, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**F. INCOME TAXES**

The Organization operates as a non-profit entity and has been granted tax-exempt status by the Internal Revenue Service (IRS) under Section 501(c) (3) of the Internal Revenue Code and has been determined by IRS not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. The Organization's exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in these statements for federal or state income taxes.

**G. DONATED SERVICES**

Certain members of the Board of Directors have donated significant amounts of time to the Organization. The value of this contributed time is not reflected in these statements as it is not susceptible to recording as per FASB 116.

**H. REVENUE RECOGNITION**

Under the standards contained in the AICPA Audit and Accounting Guide, Audits of Voluntary Health and Welfare Organizations, contributions are recorded when received unless susceptible to accrual. For the year ended December 31, 2010, \$20,000 was receivable and expected to be collected within a year.

**I. NET ASSETS**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Lawyers' Assistance Program, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets are subject to donor-imposed stipulations that may or will be met, either by action of Lawyers' Assistance Program, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**NOTE 2 – CONTINGENCIES**

*Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits*

The Organization maintains its cash in two financial institutions located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures the interest-bearing balances up to \$250,000 at these institutions. The Organization's deposits exceeded FDIC coverage at times during the year.

**Lawyers' Assistance Program, Inc.**

**Notes to the Financial Statements  
For the Year Ended December 31, 2010**

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following as of December 31, 2010:

|                            | <u>Depreciable<br/>Lives</u> |           |              |
|----------------------------|------------------------------|-----------|--------------|
| Office Equipment           | 5 - 7 years                  | \$        | 5,861        |
| Accumulated depreciation   |                              |           | <u>(275)</u> |
| Net property and equipment |                              | <u>\$</u> | <u>5,586</u> |

Depreciation expense for all property and equipment is charged to management and general expense and totaled \$1,369 for the year ended December 31, 2010.

**NOTE 4 – GRANT/STATE FUNDS**

The Organization is the recipient of appropriated funds from the State of Louisiana Judicial Branch to pay for program professional services provided by the Organization. The amount of state funds received during the year ended December 31, 2010 was \$30,000.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

The Organization has entered into an agreement with an attorney with extensive experience in substance abuse counseling to serve as Executive Director. The management agreement states in part that the attorney will provide all program administrative functions. The Executive Director is an employee of the Organization and receives a salary as compensation for his services. For use of the Executive Director's office space, the sum of \$10,937 was paid to third parties for the benefit of obligations of the Executive Director. Additionally, the Organization provides reimbursement to the Executive Director for expenses incurred in the operations of the program. During 2010, the Executive Director received a total of \$3,896 as reimbursement for expenses incurred. All reimbursements are reviewed and approved by the Treasurer before any payment may be made to the Director.

Beginning October 1, 2010, a new Executive Director began training to replace the current Executive Director. The Executive Director in training also signed a similar agreement as noted above. See Note 8 of the Notes to the Financial Statements.

**NOTE 6 – PENSION PLAN**

The Organization sponsors a simplified employee pension plan for its employees. Under the terms and conditions of the plan, the Organization contributes an amount equal to ten percent (10%) of the salary of two of its employees and six percent (6%) of the salary of the new Executive Director. Pension expense for the year ended December 31, 2010 was \$15,184.

**Lawyers' Assistance Program, Inc.**

**Notes to the Financial Statements  
For the Year Ended December 31, 2010**

**NOTE 7 – ECONOMIC DEPENDENCY**

Approximately forty-two percent (42%) of the Organization's public support for the year ended December 31, 2010 was derived from funds provided by a tobacco settlement, which was disbursed from the Louisiana Outside Counsel Health and Ethics Foundation. As of December 31, 2010, \$20,000 was receivable related to the tobacco settlement.

**NOTE 8 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through September 7, 2011, which is the date the financial statements were available to be issued.

On December 31, 2010, the Organization's Executive Director retired. As such, on January 1, 2011, a new Executive Director assumed that role.